

Agenda

Workers' Compensation Study Project

Status Meeting, February 28, 2006

9:30 – 11:30 am, Conference Room A/B

Facilitator: Jerry Keck

Project team present: Lt. Governor Bohlinger, Will Hammerquist, Jerry Keck, Dore Schwinden, Anne Wolfinger, Diana Ferriter, Dave Elenbaas, Jamie Queen, Tyler Turner, Keith Messmer, Jeanne Johns, Debbie Blossom, Connie Ferriter, Wade Wilkison.
Others: Mike Taylor (NCCI), Larry Jones (Liberty NW), Dan Gengler (Montana State Fund)

Welcoming Remarks

The Lt. Governor discussed the timeliness of the workers' compensation study and how it aligned with the priorities of the Schweitzer administration.

Purpose of Study

Jerry outlined the purpose of the study, the need for it, the decisions that need to be made regarding study scope and metrics, and the process that will be followed (handout attached).

Review of Other Rankings

Diana described resources the project team has identified, such as a compendium of articles and studies from Workers' Disability Income Systems, Inc. Diana and Anne are organizing these reference materials electronically and in the ERD library in the first floor small conference room.

Training

Mike Taylor from the National Council on Compensation Insurance, Inc. (NCCI) gave two presentations on factors used to determine premiums and on the state of workers' compensation in Montana and how it compares nationally and with states in the region. Mike also presented a spreadsheet on payroll and percent distribution by industry group. (Both PowerPoint presentations and the spreadsheet are in WC Study Project\Status meetings\022806Statusmeeting.)

Next Meetings

The following schedule was set for upcoming status meetings:

Monday, March 20, 1:30-3:30 pm

Monday, April 17, 1:30-3:30 pm

Monday, May 15, 1:30-3:30 pm

The meetings will be held in the ERD conference room A/B.

Mike Taylor said the NCCI state forum for Montana was scheduled for April 18.

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Comments by Jerry Keck, Administrator, ERD

Purpose of the Study

The purpose of the project is to define and conduct a study of elements of the Montana workers' compensation system – benefits, costs, and premiums - as compared to selected other states. The study will determine and establish accurate criteria of comparison across other state systems and report the results in an objective manner.

Need for the Study

1. Perception that our premiums are high in relation to other regional states.
2. Logging rates in relation to Idaho.
3. Oilfield rates in relation to North Dakota.
4. 2006 Economic Outlook Seminar cited the Oregon Study – Montana 8th.
5. Injured workers assert that our benefits are not that great.

Scope of the Study

This group will need to determine the scope of the study. We will seek input from as many individuals and groups as are interested to make the final decisions on scope.

1. The states or jurisdictions to be included: surrounding states, regional states, states with comparable benefit systems?
2. How broadly we look at the elements – benefits, costs, and premium factors.

Metrics to be Included

This group will need to determine the metrics or elements to look at in trying to make objective comparisons between different jurisdictions. Again, we will be sharing our proposed metrics with the broad group of stakeholders who have an interest in the workers' compensation system and seeking their input on the metrics.

1. Frequency
2. Severity
3. Medical Cost Drivers
4. Access to eligibility for benefits

Process

1. This project team will gather data – objective, neutral, factual.
2. Explore contract with WCRI or other respected organization.
3. Announced public status meeting once a month for updates.
4. Final report of group with findings.
5. Constitute a stakeholder group to analyze and assess public policy recommendations that might flow out of the study.